

HOUSE BILL No. 2039

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6-1.1.

Synopsis: Gasoline tax. Replaces the per gallon tax with a cents per mile tax, effective January 1, 2002. Provides that the cents per mile tax is based on a formula involving the average miles per gallon and the Indiana vehicle miles traveled. Requires \$0.01 of the cents per mile tax collected for each gallon of gasoline to be transferred to the state highway road construction and improvement fund.

Effective: July 1, 2001; January 1, 2002.

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January 17, 2001, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 2039

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-6-1.1-201 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 201. A **cents per**
3 **mile** license tax ~~of fifteen cents (\$0.15) per gallon, in the amount~~
4 **determined under section 201.2 of this chapter** is imposed on the use
5 of all gasoline used in Indiana, except as otherwise provided by this
6 chapter. The distributor shall initially pay the tax on the billed
7 gallonage of all gasoline the distributor receives in this state, less any
8 deductions authorized by this chapter. The distributor shall then add
9 the per gallon amount of tax to the selling price of each gallon of
10 gasoline sold in this state and collected from the purchaser so that the
11 ultimate consumer bears the burden of the tax.

12 SECTION 2. IC 6-6-1.1-201.2 IS ADDED TO THE INDIANA
13 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JANUARY 1, 2002]: Sec. 201.2. (a) **As used in this**
15 **section, "motor fuel" has the meaning set forth in IC 6-6-4.1-1(g).**

16 (b) **The cents per mile license tax imposed under section 201 of**
17 **this chapter is the amount determined in STEP TWO of the**

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following formula, rounded off to the nearest one-tenth cent (\$0.001):

STEP ONE: Divide:

(A) the Indiana motor vehicle miles of travel (VMT) for the calendar year preceding by two (2) years the calendar year in which the tax is imposed, as reported by the United States Highway Administration; by

(B) the certified taxable gallons of motor fuel for the calendar year preceding by two (2) years the calendar year in which the tax is imposed as reported by the department; to determine the current average miles per gallon (AMPG).

STEP TWO: Multiply the AMPG calculated under STEP ONE by one cent (\$0.01).

(c) Not later than November 1 of each year, the department shall:

(1) publish the annual tax rate in effect for the following calendar year in the Indiana Register; and

(2) widely disseminate information concerning the applicability of the new rates.

(d) Not later than November 1 of each year, the department shall publish in the Indiana Register and widely disseminate information concerning:

(1) the certified taxable gallons of fuel; and

(2) the Indiana vehicle miles of travel;

used in the calculation of the cents per mile license tax under subsection (b).

SECTION 3. IC 6-6-1.1-502 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 502. (a) Except as provided in subsection (b), at the time of filing each monthly report, each distributor shall pay to the administrator the full amount of tax due under this chapter for the preceding calendar month, computed as follows:

(1) Enter the total number of invoiced gallons of gasoline received during the preceding calendar month.

(2) Subtract the number of gallons for which deductions are provided by sections 701 through 705 of this chapter from the number of gallons entered under subdivision (1).

(3) Subtract the number of gallons reported under section 501(3) of this chapter.

(4) Multiply the number of invoiced gallons remaining after making the computation in subdivisions (2) and (3) by the tax rate prescribed by section 201 of this chapter annually published by



the department to compute that part of the gasoline tax to be deposited in the highway, road, and street fund under section 802(2) of this chapter or in the motor fuel tax fund under section 802(3) of this chapter.

(5) Multiply the number of gallons subtracted under subdivision (3) by the tax rate ~~prescribed by section 201~~ **determined under section 201.2** of this chapter to compute that part of the gasoline tax to be deposited in the fish and wildlife fund under section 802(1) of this chapter.

(b) If the department determines that a distributor's:

(1) estimated monthly gasoline tax liability for the current year; or

(2) average monthly gasoline tax liability for the preceding year; exceeds ten thousand dollars (\$10,000), the distributor shall pay the monthly gasoline taxes due by electronic fund transfer (as defined in IC 4-8.1-2-7) or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the tax is due.

SECTION 4. IC 6-6-1.1-606.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 606.6. (a) Except as provided in subsection (c), every person included within the terms of section 606(a) of this chapter who transports gasoline in a vehicle on the highways of Indiana in a vehicle having a total tank capacity of less than eight hundred fifty (850) gallons is liable to the state for a penalty equal to the rate provided in ~~section 201~~ **section 201.2** of this chapter on all gasoline transported into Indiana and delivered to any person other than a licensed distributor.

(b) Except as provided in subsection (c), every person included within the terms of section 606(c) of this chapter who transports gasoline in a vehicle on the highways of Indiana is liable to the state for a penalty equal to the rate provided in ~~section 201~~ **section 201.2** of this chapter on all gasoline:

(1) received by the person for transportation to a point outside Indiana;

(2) ~~not in fact~~ transported to a point outside Indiana; and

(3) ~~in fact~~ delivered to a person other than a licensed distributor inside Indiana.

(c) The following are excluded when computing any liability under this section:

(1) All deliveries of gasoline when the tax imposed by law was charged or collected by the parties under the circumstances

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described in this section.

(2) Deliveries of gasoline used in computing the tax under section 301 of this chapter.

SECTION 5. IC 6-6-1.1-801.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 801.5. (a) The administrator shall transfer ~~one-fifteenth (1/15)~~ of the taxes that are collected under this chapter the amount determined under subsection (b) to the state highway road construction and improvement fund.

(b) The amount of the transfer required under subsection (a) is the amount determined in the last of the following STEPS:

STEP ONE: Determine the amount of the taxes collected under this chapter.

STEP TWO: Determine the tax rate determined under section 201.2 of this chapter.

STEP THREE: Multiply the STEP TWO result by one hundred (100).

STEP FOUR: Express the STEP THREE result as a fraction with the STEP THREE result being the numerator and one (1) being the denominator.

STEP FIVE: Invert the STEP FOUR result so that the numerator of the fraction expressed is one (1) and the denominator is the STEP THREE result.

STEP SIX: Multiply the STEP FIVE result by the STEP ONE result.

(c) After the transfer required by subsection (a), the administrator shall transfer the next twenty-five million dollars (\$25,000,000) of the taxes that are collected under this chapter and received during a period beginning July 1 of a year and ending June 30 of the immediately succeeding year to the auditor of state for distribution in the following manner:

(1) thirty percent (30%) to each of the counties, cities, and towns eligible to receive a distribution from the local road and street account under IC 8-14-2 and in the same proportion among the counties, cities, and towns as funds are distributed under IC 8-14-2-4;

(2) thirty percent (30%) to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1; and

(3) forty percent (40%) to the Indiana department of

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1 transportation.

2 ~~(c)~~ (d) The auditor of state shall hold all amounts of collections
3 received under subsection ~~(b)~~ (c) from the administrator that are made
4 during a particular month and shall distribute all of those amounts
5 pursuant to subsection ~~(b)~~ (c) on the fifth day of the immediately
6 succeeding month.

7 ~~(d)~~ (e) All amounts distributed under subsection ~~(b)~~ (c) may only be
8 used for purposes that money distributed from the motor vehicle
9 highway account may be expended under IC 8-14-1.

10 SECTION 6. [EFFECTIVE JULY 1, 2001] (a) **Notwithstanding**
11 **IC 6-6-1.1-201.2, as added by this act, the department of state**
12 **revenue shall, before November 1, 2001, publish in the Indiana**
13 **Register the cents per mile rate under IC 6-6-1.1-201.2, as added**
14 **by this act, that is applicable for the calendar year beginning**
15 **January 1, 2002.**

16 (b) This SECTION expires January 2, 2002.

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